



Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Required Report - public distribution

Date: 4/15/2000

GAIN Report #NU0002

Nicaragua

Sugar

Annual

2000

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Report Highlights:

Nicaragua produced 3.8 million tons of sugar cane in 1998/99 and is expected to produce 4.1 million tons in 1999/2000. Nicaragua exported 111,000 tons of centrifugal sugar in CY 1999. Exports are expected to rebound in CY 2000 to 180,000 tons.

Includes PSD changes: Yes

Includes Trade Matrix: Yes

Annual Report

San Jose [CS1], NU

NICARAGUA: SUGAR ANNUAL REPORT

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Executive Summary

Sugar cane production for the 1998/99 crop reached 3.8 million tons. Estimated production for the 1999/2000 sugar crop is 4.1 million tons and for 2000/2001 is to decrease slightly.

Nicaraguan domestic use is expected to grow slightly to 176,000 tons due to an optimistic economic outlook and an increase in demand of sugar to be used as a raw material in local industries such as soft drinks, etc.

For the 1999/2000 season, Nicaragua will export an estimated 111,000 tons, of which 95,000 tons will be raw sugar and 16,000 tons refined.

Table 1: Sugar Cane for Centrifugal Sugar: Supply and Utilization

PSD Table						
Country	Nicaragua					
Commodity	Sugar Cane for Centrifugal				(1000 HA)(1000 MT)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		10/1998		10/1999		10/2000
Area Planted	0	55	0	55	0	55
Area Harvested	0	55	0	55	0	55
Production	0	3759	0	4134	0	4000
TOTAL SUPPLY	0	3759	0	4134	0	4000
Utilization for Sugar	0	3759	0	4134	0	4000

Utilizatn for Alcohol	0	0	0	0	0	0
TOTAL UTILIZATION	0	3759	0	4134	0	4000

Table 2: Centrifugal Sugar: Production, Supply and Demand

PSD Table						
Country	Nicaragua					
Commodity	Centrifugal Sugar				(1000 MT)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		10/1998		10/1999		10/2000
Beginning Stocks	19	18	6	65	13	113
Beet Sugar Production	0	0	0	0	0	0
Cane Sugar Production	333	334	342	408	0	370
TOTAL Sugar Production	333	334	342	408	0	370
Raw Imports	0	0	0	0	0	0
Refined Imp.(Raw Val)	0	0	0	0	0	0
TOTAL Imports	0	0	0	0	0	0
TOTAL SUPPLY	352	352	348	473	13	483
Raw Exports	153	95	144	160	0	180
Refined Exp.(Raw Val)	18	16	16	20	0	20
TOTAL EXPORTS	171	111	160	180	0	200
Human Dom. Consumption	175	176	175	180	0	185
Feed Dom. Consumption	0	0	0	0	0	0
TOTAL Dom. Consumption	175	176	175	180	0	185
Ending Stocks	6	65	13	113	0	98
TOTAL DISTRIBUTION	352	352	348	473	0	483

Production

Preliminary data for the 1999/2000 crop year indicate that total sugar cane output will reach an estimated 4.1 million tons, compared to 1998/99 production of 3.8 million tons. (Note - the sugar harvesting season begins in November and ends in May). The production increase was due to favorable climatic conditions and higher efficiency in major sugar corporations.

Crop Area

During the 1999/2000 crop season, the area planted with sugar cane grew from 53,000 hectares to 55,000 hectares.

Yields

In the 1998/99 crop season, average sugar cane yield is estimated to have been 68.3 tons/ha, while in the 1999/2000 crop season, it is approximately 75.1 tons/ha. The improved efficiency is due to favorable weather conditions, employee productivity, and the benefits of investments in the area of infrastructure in recent years, which have totaled over US \$60 million.

Employment

The Nicaraguan sugar industry generates direct employment for almost 12,800 heads of families, purchases sugar cane from 1,650 small- to medium-size farmers, and it provides indirect employment to approximately 25,000 for related support services.

Consumption

The most recent data available indicates that Nicaraguans, on average, consume approximately 88 lbs. of sugar per capita annually. The total domestic consumption in 1999 was 176,000 tons.

Trade

Nicaraguan exports of centrifugal sugar totaled 111,000 tons in CY 1999. This dropped from previous expectations due to Hurricane Mitch and more importantly due to national prices being more favorable than international prices. Local production, therefore, was used to cover all domestic demand requirements first.

Nicaragua's number one export destination in 1999 was the Russian Federation, followed by the United States, Haiti and the Dominican Republic. The Nicaraguan allocation under the U.S. sugar tariff-rate quota for 1999 was 22,749 tons. For 2000, the Nicaraguan allocation will be reduced to 22,115 tons.

Exports are expected to rebound in CY 2000 due to the high amount of available stocks and to an optimistic outlook on the upcoming harvest season.

Table 3: Export Matrix

Export Trade Matrix			
Country	Nicaragua		
Commodity	Centrifugal Sugar		
Time period	1999	Units:	MTRV
Exports for:			1
U.S.	27894	U.S.	
Others		Others	
Russian Fed.	69533		
Haiti	10980		
Dominican Rep	2500		
Total for Others	83013		0
Others not Listed			
Grand Total	110907		0

Stocks

The industry estimates that there are 65,000 tons of sugar stocks available from the 1998/1999 season. Stocks are expected to increase in 1999/2000 as a result of the higher sugar production.

Policy

The Government of Nicaragua does not provide subsidies to the sugar industry and it does not have an official production policy.

The Chamorro Administration (1990-96) privatized six government-owned mills, and those mills are now represented by the National Committee for Sugar Producers. Most of the country's mills are located on the Pacific side of Nicaragua, and a relatively small mill is located on the Atlantic side.